



4004

ANNUAL REPORT

OF

Name: NIAGARA TELEPHONE COMPANY

Principal Office: 1133 MAIN ST
P.O. BOX 3
NIAGARA, WI 54151-0003

For the Year Ended: DECEMBER 31, 2001

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 2001 report is due April 1, 2002.) If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required.** Go to the Public Service Commission of Wisconsin's web page at <http://psc.wi.gov>, click on Telecommunications and click on Annual Report for Incumbent Local Exchange Carriers (LECs).
3. LEC entities with no revenues for the report year are required to file a LEC annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility in conformity with the Uniform System of Accounts prescribed by the Public Service Commission in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
6. Wherever information is requested in a "note," please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
7. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
8. Please report all dollar amounts to the nearest whole dollar.
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
11. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
12. The LEC annual report program incorporates provisional confidentiality capability for selected items, based on the Commission's confidentiality determination dated February 5, 2002.
13. It is not necessary to sign the signature page.
14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files;
Filing the Completed Report:**

GENERAL RULES FOR REPORTING

Program edit checks, which are located under the Admin dropdown menu, should be run at the completion of data entry. Each edit problem lists pertinent schedule(s) as well as the nature of the problem (such as "does not equal"). Edit items should be reviewed and corrected; unresolved problems should be footnoted in the report, if necessary. This screen automatically saves the edit checks to an .edt file that may be viewed and edited (for purposes of adding necessary notations) using a word processing package such as WordPad.

The confidential listing, which is located under the Admin dropdown menu, should also be run at the completion of data entry. This will create a .clf file.

Select the annual report to export from the Main-Report Selection window. Click Admin, Export Data to PSC to start the export process. This will create an .mdb file, which will subsequently be encrypted to a file with an .sen extension. An export status file is also created (with a .txt extension). The export status report file may also be viewed in a word processing package such as WordPad. If you encounter any export errors, please contact the Commission for assistance.

The .edt, .clf, .sen, and .txt files will be zipped to a file with a .zip extension. An e-mail message will be created, addressed to pscrcs@psc.state.wi.us. The .zip file is automatically attached to the e-mail message. After the e-mail is created, it will automatically be sent to the Commission.

Once received and processed by the Commission, you will receive a response indicating that your annual report has been received and is being processed. You will be notified if there are any problems with the annual report filing.

15. Name Changes:

If a name change is identified in the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI.

These documents can be obtained by:

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at www.wdfl.org; or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

While the electronic annual report filing may detail the name change (i.e., date of the change and the affected entities with their respective four-digit Commission utility identification numbers), a name change is not effective in the Commission's records until a separate notification letter is sent to the Commission including documentation to confirm registration of that change with the State of Wisconsin Department of Financial Institutions.

16. Changes to the Annual Report Subsequent to Filing:

If making revisions to the report subsequent to filing with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 14. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions.

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
CO	.....	Central Office
Depr	.....	Depreciation
Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
FOY	.....	First of Year
Info	.....	Information
ITC	.....	Investment Tax Credit
Misc	.....	Miscellaneous
Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
Prop	.....	Property
Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
Svcs	.....	Services
Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: NIAGARA TELEPHONE COMPANY
Utility Location: 1133 MAIN ST
P.O. BOX 3
NIAGARA, WI 54151-0003

Utility Web Site Address:

When was utility organized?: 05/01/1941

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR SYDNEY R. PETERSON
Title: PRESIDENT & MANAGER

Office Address: 1133 MAIN STREET
P.O. BOX 3
NIAGARA, WI 54151-0003

Fax Number: (715) 251 - 1119
Telephone Number: (715) 251 - 3116
Email Address: nit1@net.net

Individual or firm, if other than utility employee, preparing this report

Name: MR ROBERT D. WORTINGER, CPA
Title: PARTNER
Firm: KIESLING ASSOCIATES LLP
Office Address: 6401 ODANA ROAD
MADISON, WI 53719

Fax Number: (608) 273 - 2383
Telephone Number: (608) 273 - 2315
Email Address: rwortinger@kiesling.com

Person responsible for financial information contained in report

Name: MR M. O. WILKINS
Title: TREASURER

Office Address: 104 WEST WALKER STREET
P.O. BOX 160
WITTENBERG, WI 54499

Fax Number: (715) 253 - 3497
Telephone Number: (715) 253 - 2111
Email Address: mo-wilk@netnet.net

Person responsible for statistical information contained in report

Name: MR SYDNEY R. PETERSON
Title: PRESIDENT & MANAGER

Office Address: 1133 MAIN STREET
P.O. BOX 3
NIAGARA, WI 54151-0003

Fax Number: (715) 251 - 1119
Telephone Number: (715) 251 - 3116
Email Address: nit1@net.net

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: BEATE M. REUBER
Address: PO BOX 668
HECTOR, MN 55342

Number of Shares Held: 522
Beneficial Owner: NONE

Name: BRUCE C. REUBER
Address: PO BOX 668
HECTOR, MN 55342

Number of Shares Held: 522
Beneficial Owner: NONE

Name: NANCY L. PETERSON
Address: 1100 BRUNING STREET
NIAGARA, WI 54151

Number of Shares Held: 264
Beneficial Owner: NONE

Name: SYDNEY R. PETERSON
Address: 1100 BRUNING STREET
NIAGARA, WI 54151

Number of Shares Held: 1,500
Beneficial Owner: NONE

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name: BORDERLAND COMMUNICATIONS, LLC
Form of Interest: OWNED
Extent Of Interest: 100%

OFFICERS AND DIRECTORS**Name, Title/Occupation
and Business Address**

Name: BEATE M. REUBER Title/Occupation: DIRECTOR Business Address (1): 130 BIRCH AVE WEST Business Address (2): BOX 668 Business Address (3): City State, Zip: HECTOR, MN 55342	1
Name: BRUCE C. REUBER Title/Occupation: VICE-PRESIDENT/DIRECTOR Business Address (1): 130 BIRCH AVE WEST Business Address (2): BOX 668 Business Address (3): City State, Zip: HECTOR, MN 55342	2
Name: LUCY M. LOPEZ Title/Occupation: SECRETARY/DIRECTOR Business Address (1): 1133 MAIN STREET Business Address (2): BOX 3 Business Address (3): City State, Zip: NIAGARA, WI 54151	3
Name: MERRITT O. WILKINS Title/Occupation: TREASURER/DIRECTOR Business Address (1): 104 WALKER ST. Business Address (2): BOX 160 Business Address (3): City State, Zip: WITTENBERG, WI 54499	4
Name: NANCY L. PETERSON Title/Occupation: DIRECTOR Business Address (1): 1133 MAIN STREET Business Address (2): BOX 3 Business Address (3): City State, Zip: NIAGARA, WI 54151	5
Name: SYDNEY R. PETERSON Title/Occupation: PRESIDENT/MANAGER/DIRECTOR Business Address (1): 1133 MAIN STREET Business Address (2): P.O. BOX 3 Business Address (3): City State, Zip: NIAGARA, WI 54151-0003	6

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	3,625,920	3,449,009	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	472,813	539,898	2
Plant Nonspecific Operations Expense	1,153,315	998,353	3
Customer Operations Expense (6610-6620)	382,521	373,290	4
Corporate Operations Expense (6710-6790)	490,464	475,868	5
Other Operating Income and Expense (7100)	3,583	8,840	6
Operating Taxes (7200)	482,905	415,133	7
Total Operating Expenses	2,978,435	2,793,702	8
Net Operating Income	647,485	655,307	9
Other Income			
Nonoperating Income and Expense (7300)	130,001	135,634	10
Nonoperating Taxes (7400)	77,357	56,262	11
Interest and Related Items (7500)	146,759	160,306	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	50,044	33,213	14
Total Nonoperating Income	(44,071)	(47,721)	15
Net Income	603,414	607,586	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

The accounting policies of the Company conform to generally accepted accounting principles. Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Telephone operations reflect practices appropriate to the telephone industry. The accounting records of the company are maintained in accordance with Uniform System of Accounts for Class A and B Telephone Companies prescribed by the Federal Communications Commission as modified by the Public Service Commission of Wisconsin (PSCW).

A. Property and Equipment

Telephone plant is capitalized at original cost, including the capitalized cost of salaries and wages, materials, certain payroll taxes, and employee benefits.

The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates, based on the estimated service lives of the various classes of depreciable property.

Renewals and betterments of units of property are charged to telephone plant in service. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation, together with removal cost less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable property. Repairs and renewals of minor items of property are included in plant specific operations expense.

B. Income taxes

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities include the difference between carrying amounts of depreciable assets and partnership investment basis. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

C. Revenue Recognition

Revenues are recognized when earned regardless of the period in which they

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

Revenues are recognized when earned regardless of the period in which they are billed.

Revenues relating to the provision of access services to customers are derived, in part, from tariffed access charges to toll service providers (interexchange carriers), and in part from sharing in interstate pools. Interstate revenues are determined in accordance with nationwide average cost schedules.

The Company is compensated for intrastate access under access charge procedures based on expense and plant investment levels, as determined by the Company and approved by the PSCW.

D. Cash Equivalents

All highly liquid investments purchased with a maturity of one year or less are considered cash equivalents.

E. Investments

Nonmarketable equity investments, over which the Company has significant influence or a 20% ownership, are reflected on the equity method. Other nonmarketable equity investments are stated at cost.

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2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None.

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3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The mortgage to the United States of America, underlying the RUS and RTB notes, contains certain restrictions on the declaration of payment of cash dividends, redemption of capital stock, or investment in affiliated companies.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	(89,365)	285,515	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	(89,365)	285,515	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	109,515	164,750	6
Accounts Receivable Allowance-Telecom (1181)*			7
Net: Telecommunications Accounts Receivable	109,515	164,750	
Other Accounts Receivable (1190)*	1,346,430	689,436	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	1,346,430	689,436	
Notes Receivable (1200)*			10
Notes Receivable Allowance (1201)*			11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*			12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	1,455,945	854,186	
SUPPLIES			
Inventories (1220)*	179,461	189,729	13
TOTAL SUPPLIES	179,461	189,729	
PREPAYMENTS			
Total Prepayments (1280)*	1,942	8,718	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	1,942	8,718	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	23,670	24,635	20
TOTAL OTHER CURRENT ASSETS	23,670	24,635	
TOTAL CURRENT ASSETS	1,571,653	1,362,783	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	607,473	717,918	21
RTB Class B Stock (1402)*			22
Other Investments in Nonaffiliated Companies (1402)*	2,759,332	2,333,120	23
Nonregulated Investments (1406)*	24,632	16,771	24
Unamortized Debt Issuance Expense (1407)*	1,005	1,597	25
Sinking Funds (1408)*			26

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	38,548		27
TOTAL INVESTMENTS	3,430,990	3,069,406	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	28
Deferred Maintenance and Retirements (1438)*			29
Deferred Charges (1439)*			30
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	3,430,990	3,069,406	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	12,041,479	11,285,576	31
Less: Accumulated Depreciation (3100)*	7,686,288	6,707,085	32
Less: Accumulated Amortization--Capitalized Leases (3410)*			33
Less: Accumulated Amortization--Leasehold Improvements (3420)*			34
Less: Accumulated Amortization--Intangible (3500)*			35
NET TELECOMMUNICATIONS PLANT IN SERVICE	4,355,191	4,578,491	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*			36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			37
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	21,457	21,457	38
Less: Accumulated Depreciation--Nonoperating (3300)*	10,247	9,419	39
NET NONOPERATING PLANT	11,210	12,038	
TPUC			
TPUC (2003)*	20,555		40
TOTAL TPUC	20,555	0	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			41
Less: Accumulated Amortization--Other (3600)*			42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	4,386,956	4,590,529	
TOTAL ASSETS AND OTHER DEBITS	9,389,599	9,022,718	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	352,485	284,914	1
Notes Payable (4020)*	300,000	100,000	2
Advance Billing and Payments (4030)*	23,700	26,200	3
Customer Deposits (4040)*	13,337	12,436	4
Current Maturities--Long-Term Debt (4050)*	284,750	458,000	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*	204,502	73,824	7
Other Taxes--Accrued (4080)*	8,792		8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	86,980	91,575	11
Other Current Liabilities (4130)*			12
TOTAL CURRENT LIABILITIES	1,274,546	1,046,949	
LONG-TERM DEBT			
Funded Debt (4210)*	1,805,476	2,090,035	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*			16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*			19
TOTAL LONG-TERM DEBT	1,805,476	2,090,035	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	139,450	120,990	20
Unamortized Operating ITC--Net (4320)*			21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*	0	175,060	23
Net Deferred Tax Liability Adjustments (4341)*	0	(1,430)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*		(69,891)	25
Other Deferred Credits (4360)*	71,943	95,594	26
Deferred Tax Regulatory Liability (4361)*	2,605	3,646	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	213,998	323,969	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	348,000	348,000	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*			30
Other Capital (4540)*			31
Retained Earnings (4550)*	5,747,579	5,213,765	32
TOTAL STOCKHOLDERS' EQUITY	6,095,579	5,561,765	
TOTAL LIABILITIES AND OTHER CREDITS	9,389,599	9,022,718	

IMPORTANT CHANGES DURING THE YEAR

1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

There was a rate decrease beginning November 1, 2001. The annual effect of the rate change is approximately \$55,000.

2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

None.

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Borderland Communications, LLC	BDLD	1
Computer Systems Limited Liability Corporation	CSLLC	2
Interstate Telcom Consulting Inc.	ITCI	3
Metro Southwest PCS, LLP	METRO SW	4
RSA #3	RSA #3	5
RSA #4	RSA #4	6
Wittenberg Telephone Company	WITT	7

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	4160ATF103	4160AT000100	4160AT000101	None	
Name of Affiliate	BDLD	CSLLC	ITCI	METRO SW	1
Designate whether billed to or from:	TO	FROM	FROM	TO	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	M	M	T	3
Total Dollar Activity	---CONF---	---CONF---	---CONF---	---CONF---	4
Percent of affiliate's business billed to all affiliated regulated utilities	---CONF---	---CONF---	---CONF---	---CONF---	5
If cost based, rate of return on equity or markup incorporated in billings	---CONF---	---CONF---	---CONF---	---CONF---	6
Footnotes					

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	None	None			
Name of Affiliate	RSA #3	RSA #4			1
Designate whether billed to or from:	TO	TO			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	T	T			3
Total Dollar Activity	---CONF---	---CONF---			4
Percent of affiliate's business billed to all affiliated regulated utilities	---CONF---	---CONF---			5
If cost based, rate of return on equity or markup incorporated in billings	---CONF---	---CONF---			6
Footnotes					

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	88,167		1
Motor Vehicles	2112	280,850	60,400	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	170,935	8,330	6
Buildings	2121	849,021	1,965	7
Furniture	2122	13,484		8
Office Equipment	2123	7,457	2,851	9
General Purpose Computers	2124	78,292		10
TOTAL--GENERAL SUPPORT ASSETS:		1,488,206	73,546	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	2,434,402	245,646	12 N
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	1,362,531	42,537	16 N
TOTAL--CENTRAL OFFICE ASSETS:		3,796,933	288,183	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		0	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	88,180	3,537	22 N
Aerial Cable	2421	350,269	24,274	23 N
Underground Cable	2422	413,976	106,391	24 N
Buried Cable	2423	4,372,877	152,277	25 N,O
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	5,685		29
Conduit Systems	2441	769,538	161,729	30 N
TOTAL--CABLE WIRE FACILITIES ASSETS:		6,000,525	448,208	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			88,167	1
2112			341,250	2
2113			0	3
2114			0	4
2115			0	5
2116			179,265	6
2121			850,986	7
2122			13,484	8
2123	0	0	10,308	9
2124			78,292	10
	0	0	1,561,752	
2211			0	11
2212	0	10,435	2,690,483	12 N
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	(10,435)	1,394,633	16 N
	0	0	4,085,116	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			0	21
	0	0	0	
2411	201	(934)	90,582	22 N
2421	3,163	(9,707)	361,673	23 N
2422	0	17,079	537,446	24 N
2423	5,393	(67,816)	4,451,945	25 N,O
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			5,685	29
2441		16,013	947,280	30 N
	8,757	(45,365)	6,394,611	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	11,285,664	809,937
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	8,757	(45,365)	12,041,479	
2001			0	34
			12,041,479	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	1,884		1
Company Communications Equipment	2123.2	5,573	2,851	2
Software	2212.1	172,617		3
Digital Switching - Central Office	2212.2	2,261,785	245,646	4 N
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	1,362,531	42,537	10 N
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	0		12
Aerial Cable - Nonmetallic	2421.1	10,263		13
Aerial Cable - Metallic	2421.2	340,006	24,274	14 N
Underground Cable - Nonmetallic	2422.1	115,373	98,729	15 N
Underground Cable - Metallic	2422.2	298,603	7,662	16 N
Buried Cable - Nonmetallic	2423.1	868,662	42,900	17 N,O
Buried Cable - Metallic	2423.2	3,504,215	109,377	18 N
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			1,884	1
2123.2			8,424	2
2212.1			172,617	3
2212.2		10,435	2,517,866	4 N
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1		(10,435)	1,394,633	10 N
2232.2			0	11
2232.3			0	12
2421.1			10,263	13
2421.2	3,163	(9,707)	351,410	14 N
2422.1		9,898	224,000	15 N
2422.2		7,181	313,446	16 N
2423.1		(45,024)	866,538	17 N,O
2423.2	5,393	(22,792)	3,585,407	18 N
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	185,944	.0	12,708		1L
Aircraft	2113	0				2
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	0				4
Other Work Equipment	2116	78,985	10.0	17,592		5
Buildings	2121	389,658	4.0	33,973		6
Furniture	2122	8,876	10.0	1,348		7
Office Equipment	2123	7,456	10.0	467		8
General Purpose Computers	2124	68,892	25.0	9,399		9
Total-- GENERAL SUPPORT ASSETS		739,811		75,487		0
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	2,038,745	12.5	274,293		11
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	0				14
Circuit Equipment	2232	854,262	13.74	181,631		15
Total-- CENTRAL OFFICE ASSETS		2,893,007		455,924		0
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0				16
Customer Premises Wiring	2321	0				17
Large Private Branch Exchanges	2341	0				18
Public Telephone Terminal Equipment	2351	0				19
Other Terminal Equipment	2362	0				20
Total-- INFORMATION ORIG/TERM ASSETS		0		0		0
CABLE WIRE FACILITIES ASSETS						
Poles	2411	60,184	7.4	6,277		21
Aerial Cable	2421	306,513	7.4	19,346		22
Underground Cable	2422	198,081	8.5	34,678		23
Buried Cable	2423	2,226,110	8.5	369,826		24o
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	0				27
Aerial Wire	2431	5,685				28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	277,782	4.5	36,535	29
Total-- CABLE WIRE FACILITIES ASSETS		3,074,355		466,662	0
Total Accumulated Depreciation	3100	6,707,173		998,073	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100 Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112					198,652	1 L
2113					0	2
2114					0	3
2115					0	4
2116					96,577	5
2121					423,631	6
2122					10,224	7
2123	0				7,923	8
2124					78,291	9
	0	0	0	0	815,298	
2211					0	10
2212	0				2,313,038	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				1,035,893	15
	0	0	0	0	3,348,931	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					0	20
	0	0	0	0	0	
2411	201	1,826			64,434	21
2421	3,163	3,694	169		319,171	22
2422	0				232,759	23
2423	5,393		52	(4,902)	2,585,693	24 o
2424	0				0	25
2425					0	26
2426	0				0	27
2431					5,685	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					314,317	29
	8,757	5,520	221	(4,902)	3,522,059	
3100	8,757	5,520	221	(4,902)	7,686,288	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
Office Support Equipment	2123.1	1,883			1
Company Communications Equipment	2123.2	5,573	20.0	467	2
Software	2212.1	166,219	25.0	6,397	3
Digital Switching - Central Office	2212.2	1,872,526	12.5	267,896	4
Digital Switching - Remote	2212.3	0			5
Step by Step Switching	2215.1	0			6
Crossbar Switching	2215.2	0			7
Satellite and Earth Station Facilities	2231.1	0			8
Other Radio Facilities	2231.2	0			9
Digital Circuit Equipment	2232.1	854,262	13.74	181,631	10
Analog Circuit Equipment	2232.2	0			11
Light Wave Circuit Equipment	2232.3	0			12
Aerial Cable - Nonmetallic	2421.1	3,941	7.4	760	13
Aerial Cable - Metallic	2421.2	302,572	7.4	18,586	14
Underground Cable - Nonmetallic	2422.1	27,775	8.5	9,126	15
Underground Cable - Metallic	2422.2	170,306	7.4	25,552	16
Buried Cable - Nonmetallic	2423.1	123,852	8.5	72,338	17
Buried Cable - Metallic	2423.2	2,102,258	8.5	297,488	18
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					1,883	1
2123.2					6,040	2
2212.1					172,616	3
2212.2					2,140,422	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					1,035,893	10
2232.2					0	11
2232.3					0	12
2421.1					4,701	13
2421.2	3,163	3,694	169		314,470	14
2422.1					36,901	15
2422.2					195,858	16
2423.1				(4,902)	191,288	17 o
2423.2	5,393		52		2,394,405	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts.
Credit amounts should be shown in ().

Particulars (a)	Balance EOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)		1
Other Noncurrent Assets (1410)		2
Deferred Tax Regulatory Asset (1437)		3
Net Current Deferred Operating Income Taxes (4100)		4
Net Noncurrent Deferred Operating Income Taxes (4340)		5
Net Deferred Tax Liability Adjustments (4341)		6
Deferred Tax Regulatory Liability (4361)	(2,605)	7
Net Property Related Deferred Operating Income Taxes	(2,605)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(2,605)	
NONPROPERTY RELATED		
Other Current Assets (1350)		9
Other Noncurrent Assets (1410)		10
Deferred Tax Regulatory Asset (1437)		11
Net Current Deferred Operating Income Taxes (4100)		12
Net Noncurrent Deferred Operating Income Taxes (4340)		13
Net Deferred Tax Liability Adjustments (4341)		14
Deferred Tax Regulatory Liability (4361)		15
Total Nonproperty Related Deferred Operating Income Taxes	0	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	5,213,765	4,675,779	1
Changes:			
Balance Transferred from Income	603,414	607,586	2
Dividends Declared:			
Common	69,600	69,600	3
Preferred		0	4
Total Dividends Declared	69,600	69,600	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>5,747,579</u>	<u>5,213,765</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	1,002,603	890,541	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	1,002,603	890,541	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	203,964	199,995	11
Switched Access Revenue (5082)*	1,361,655	1,393,450	12
Special Access Revenue (5083)*	89,770	32,587	13 A
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,655,389	1,626,032	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	6,386	3,304	14
Switched Access Revenue (5084.2)*	611,154	569,040	15
Special Access Revenue (5084.3)*	15,956	20,976	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	633,496	593,320	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	23,651	13,091	17 B
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	23,651	13,091	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	---CONF---	---CONF---	30
Rent Revenue (5240)*	---CONF---	---CONF---	31 C
Corporate Operations Revenue (5250)*	---CONF---	---CONF---	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	---CONF---	---CONF---	33
Special Billing Arrangements Revenue (5261)	---CONF---	---CONF---	34
Customer Operations Revenue (5262)	---CONF---	---CONF---	35
Plant Operations Revenue (5263)	---CONF---	---CONF---	36
Other Incidental Regulated Revenue (5264)	---CONF---	---CONF---	37
Other Revenue Settlements (5269)	---CONF---	---CONF---	38
Total Miscellaneous Revenue (5260)	---CONF---	---CONF---	
Interstate Billing and Collection Revenue*	---CONF---	---CONF---	39
Intrastate Billing and Collection Revenue*	---CONF---	---CONF---	40
Total Carrier Billing and Collection Revenue (5270)*	---CONF---	---CONF---	
Nonregulated Operating Revenue (5280)**	---CONF---	---CONF---	41
TOTAL MISCELLANEOUS REVENUES	320,596	322,401	
GROSS OPERATING REVENUES	3,635,735	3,445,385	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	9,815	(3,624)	42 D
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	9,815	(3,624)	
TOTAL OPERATING REVENUES	3,625,920	3,449,009	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)		0	1
Less: Nonregulated		0	2
Net Regulated	0	0	3
Total General Support Expense (6120)	23,610	56,304	4
Less: Nonregulated		0	5 E
Net Regulated	23,610	56,304	6
Total Central Office Switching Expense (6210)	144,389	108,399	7
Less: Nonregulated		0	8 F
Net Regulated	144,389	108,399	9
Total Operator Systems Expense (6220)		0	10
Less: Nonregulated		0	11
Net Regulated	0	0	12
Total Central Office Transmission Expenses (6230)	27,950	11,303	13
Less: Nonregulated		0	14 G
Net Regulated	27,950	11,303	15
Total Information Orig. / Term. Expense (6310)		0	16
Less: Nonregulated		0	17
Net Regulated	0	0	18
Total Cable and Wire Fac. Expense (6410)	276,864	363,892	19
Less: Nonregulated		0	20 H
Net Regulated	276,864	363,892	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	472,813	539,898	
Less: Nonregulated	0	0	
Net Regulated	472,813	539,898	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)		0	22
Less: Nonregulated		0	23
Net Regulated	0	0	24
Total Network Operations Expense (6530)	129,321	130,743	25
Less: Nonregulated		0	26
Net Regulated	129,321	130,743	27
Access Expense (6540)	28,011	12,329	28
Less: Nonregulated		0	29 I
Net Regulated	28,011	12,329	30
Total Depreciation and Amortization Expense (6560)	995,983	857,909	31
Less: Nonregulated		2,628	32
Net Regulated	995,983	855,281	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,153,315	1,000,981	
Less: Nonregulated	0	2,628	
Net Regulated	1,153,315	998,353	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	5,892	6,430	34
Less: Nonregulated		0	35
Net Regulated	5,892	6,430	36
Total Services (6620)	376,629	366,860	37
Less: Nonregulated		0	38
Net Regulated	376,629	366,860	39
TOTAL CUSTOMER OPERATIONS EXPENSE	382,521	373,290	
Less: Nonregulated	0	0	
Net Regulated	382,521	373,290	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	170,390	214,756	40
Less: Nonregulated		0	41 J
Net Regulated	170,390	214,756	42
Total General and Administrative (6720)	320,074	261,112	43
Less: Nonregulated		0	44 K
Net Regulated	320,074	261,112	45
Provision for Uncollectible Notes Receiv. (6790)		0	46
Less: Nonregulated		0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	490,464	475,868	
Less: Nonregulated	0	0	
Net Regulated	490,464	475,868	
TOTAL EXPENSES	2,499,113	2,390,037	
Less: Nonregulated	0	2,628	
Net Regulated	2,499,113	2,387,409	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)		0	1
Provisioning Expense (6512)		0	2
Total: Reported in Account 6510	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	995,983	857,909	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)		0	4
Amortization Expense--Tangible (6563)		0	5
Amortization Expense--Intangible (6564)		0	6
Amortization Expense--Other (6565)		0	7
Total: Reported in Account 6560	995,983	857,909	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	3,635,735	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	9,815	3
Plus: Total Other Operating Income and (Expense) (7100)	3,583	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>3,629,503</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,002,603	1
Plus: Total Intrastate Access Revenues (5084)	633,496	2
Plus: Total Long Distance Network Services Revenue	23,651	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): NONE	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,659,750</u>	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	3,635,735	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	9,815	3
Plus: Total Other Operating Income and (Expense) (7100)	3,583	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>3,629,503</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,002,603	1
Plus: Total Intrastate Access Revenues (5084)	633,496	2
Plus: Total Long Distance Network Services Revenue	23,651	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): NONE	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,659,750</u>	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)	3,583	8,840	1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)		(26,802)	2
Operating Federal Income Taxes (7220)	374,729	304,631	3
Operating State and Local Income Taxes (7230)	91,226	72,125	4
Operating Other Taxes (7240)	122,488	127,512	5
Provision for Deferred Operating Income Taxes--Net (7250)	(105,538)	(62,333)	6
TOTAL OPERATING TAXES (7200)	482,905	415,133	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)	2,851	9,901	7
Interest Income (7320)	49,656	12,882	8
Income from Sinking and Other Funds (7330)			9
Allowance for Funds Used During Construction (7340)			10
Gains or (Losses) from the Disposition of Certain Property (7350)			11
Other Nonoperating Income (7360)	80,715	115,726	12
Special Charges (7370)	3,221	2,875	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	130,001	135,634	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	77,357	56,262	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	146,759	160,306	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)			16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	50,044	33,213	17

NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

Nonregulated Activity (a)	
---CONF---	1
---CONF---	2

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
All Other Accounts	0	2
Total Salaries and Wages	0	3

EMPLOYEE DATA - END OF YEAR

Report employee data based on primary allocation of respective wages and salaries.

Particulars (a)	Employees (b)	
Plant Operations		
Supervisory & Management	2	1
Central Office	2	2
Outside Plant	7	3
Building & Service	0	4
Other	1	5
Customer Operations		
Supervisory & Management		6
Operators		7
Business Office	6	8
Other		9
Corporate Operations		
Executive & General Management	1	10
Accounting & Finance	1	11
External Relations		12
Human Resources		13
Information Management		14
Legal		15
Procurement		16
Research & Development		17
Other		18
Other		
All Other Employees, Not Listed Above		19
Total Employees	20	
Part-Time Employees	3	20
Full-Time Employees	17	21
Total Part-Time and Full-Time Employees	20	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	503	607	1
Extended Area Service	157	1,554	2
Extended Community Calling	20	182	3
Other Local-Undefined			4
Total Local	680	2,343	
TOLL			
Toll	219	1,883	5
Total Toll	219	1,883	
Total Local & Toll	899	4,226	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.					2
Feature Group B -- Orig.					3
Feature Group B -- Term.					4
Feature Group C -- Orig.					5
Feature Group C -- Term.					6
Feature Group D -- Orig.	2,788	3,084	178	2,623	7
Feature Group D -- Term.	7,334	5,757	3	827	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	62	1
Strand miles of plant - fiber optics	2,095	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	11	8	1
56 kbps	9	0	2 M
64 kbps (DS0)	0	0	3 M
1.54 Mbps (DS-1)	13	0	4 M
45 Mbps (DS-3)	4	0	5 M
SONET OC-1			6
SONET OC-3	2		7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	62	1
Strand miles of plant - fiber optics	2,095	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	11	8	1
56 kbps	9	0	2 M
64 kbps (DS0)	0	0	3 M
1.54 Mbps (DS-1)	13	0	4 M
45 Mbps (DS-3)	4	0	5 M
SONET OC-1			6
SONET OC-3	2		7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	682	678	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks	0	0	6
Centrex Trunks	26	27	7
Centrex Lines			8
Key System Trunks	195	215	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)			12
Pay Telephone	38	37	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Other			16
Total Business Lines	941	957	17
Residential (Incl. Emp. Concess.)			
1 Party	3,483	3,503	19
2 Party			20
4 Party			21
FX-Out (Switched)			22
Other	19	18	23
Total Residential Lines	3,502	3,521	24
Total Bus & Res Lines	4,443	4,478	25
Company Used Lines	21	26	26
Total Lines Used	4,464	4,504	27

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS			3
WATS Lines - 800 Service	4	1	4
FX-In-intraLATA			5
Special Access-intraLATA			6
(expressed in equiv. access lines)	52	8	7
Special Access-interLATA			8
(expressed in equiv. access lines)	232	7,052	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks	1,570	1,433	13
TSPS - Trunks	16		14
EAS - Trunks	114	138	15
Cellular Trunks (Pub. Sw. Net.)	24	24	16
Video Distance Learning			17
- discounted (special tariff)			18
Customers			
Lifeline Customers	97	135	19
Linkup Customers	0	0	20
Other			
Total Company Square Miles	389	389	21
Total Company Route Miles	575	581	22
Footnotes			23
			24
			25

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0250	1880	3830	5040	1
Business					2
1 Party	---CONF---	---CONF---	---CONF---	---CONF---	3
2 Party	---CONF---	---CONF---	---CONF---	---CONF---	4
4 Party	---CONF---	---CONF---	---CONF---	---CONF---	5
PBX Trunks/System Trunks	---CONF---	---CONF---	---CONF---	---CONF---	6
Centrex Trunks	---CONF---	---CONF---	---CONF---	---CONF---	7
Centrex Lines	---CONF---	---CONF---	---CONF---	---CONF---	8
Key System Trunks	---CONF---	---CONF---	---CONF---	---CONF---	9
Mobile (utility provided service)	---CONF---	---CONF---	---CONF---	---CONF---	10
Paging (utility provided service)	---CONF---	---CONF---	---CONF---	---CONF---	11
FX-Out (Switched)	---CONF---	---CONF---	---CONF---	---CONF---	12
Pay Telephone	---CONF---	---CONF---	---CONF---	---CONF---	13
Coin-Operated Pay Telephone	---CONF---	---CONF---	---CONF---	---CONF---	14
Independent Pay Telephone Provider	---CONF---	---CONF---	---CONF---	---CONF---	15
Other	---CONF---	---CONF---	---CONF---	---CONF---	16
Total Business Lines	109	324	419	105	17
Residential (Incl. Emp. Concess.)					18
1 Party	---CONF---	---CONF---	---CONF---	---CONF---	19
2 Party	---CONF---	---CONF---	---CONF---	---CONF---	20
4 Party	---CONF---	---CONF---	---CONF---	---CONF---	21
FX-Out (Switched)	---CONF---	---CONF---	---CONF---	---CONF---	22
Other	---CONF---	---CONF---	---CONF---	---CONF---	23
Total Residential Lines	719	988	1,161	653	24
Total Bus & Res Lines	828	1,312	1,580	758	25
Company Used Lines	8	4	10	4	26
Total Lines Used	836	1,316	1,590	762	27

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0250	1880	3830	5040	1
Miscellaneous					2
WATS Lines - OutWATS	---CONF---	---CONF---	---CONF---	---CONF---	3
WATS Lines - 800 Service	---CONF---	---CONF---	---CONF---	---CONF---	4
FX-In-intraLATA	---CONF---	---CONF---	---CONF---	---CONF---	5
Special Access-intraLATA					6
(equiv. access lines)	---CONF---	---CONF---	---CONF---	---CONF---	7
Special Access-interLATA					8
(equiv. access lines)	---CONF---	---CONF---	---CONF---	---CONF---	9
Feature Group A Lines	---CONF---	---CONF---	---CONF---	---CONF---	10
Feature Group B Trunks	---CONF---	---CONF---	---CONF---	---CONF---	11
Feature Group C Trunks	---CONF---	---CONF---	---CONF---	---CONF---	12
Feature Group D Trunks	---CONF---	---CONF---	---CONF---	---CONF---	13
TSPS - Trunks	---CONF---	---CONF---	---CONF---	---CONF---	14
EAS - Trunks	72		0	66	15
Cellular Trunks (Pub. Sw. Net.)	---CONF---	---CONF---	---CONF---	---CONF---	16
Video Distance Learning					17
- discounted (special tariff)					18
Other					19
Exchange Square Miles	93	208	61	27	20
Exchange Route Miles	137	205	138	101	21
Footnotes					22

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
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Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	AURORA	FLORENCE	NIAGARA	SPREAD EAGLE	1
PSCW Exchange ID	0250	1880	3830	5040	2
Central Office Name	AURORA	FLORENCE	NIAGARA	SPREAD EAGLE	3
PSCW Central Office ID	1	1	1	1	4
Central Office CLLI Code	AURRWIXACGO	FLORWIXADSO	NIGRWIXADSO	SPEGWIXACGO	5
Manufacturer of COE (Page 54)	SC	SC	SC	SC	6
Year COE Installed	1998	1998	1983	1991	7
Type of Equipment (Page 54)	D	D	D	D	8
(S)tandalone, (H)ost, (R)emote, (A)dv Fiber Comm	R	R	H	S	9
Remote Host PSCW Exchange ID	3830	3830			10
Remote Host PSCW Central Office ID	1	1			11
COE Generic Software Release No.	22	22	22	22	12
SS7?	No	No	No	No	13
9-1-1?	No	No	Yes	No	14
Access Lines - In Use	836	1,316	1,590	904	15
- Equipped	1,260	1,779	2,173	1,226	16
- Wired	1,260	1,800	2,210	1,350	17
Trunks - In Use	96	120	1,131	182	18
- Equipped	96	120	1,904	288	19
- Wired	144	144	2,040	504	20
ISDN Available?	No	No	No	No	21
ISDN Lines - In Use (BRI)	---CONF---	---CONF---	---CONF---	---CONF---	22
- In Use (PRI)	---CONF---	---CONF---	---CONF---	---CONF---	23
XDSL Available?	No	No	Yes	No	24
- In Use (# lines)	---CONF---	---CONF---	---CONF---	---CONF---	25
Switched 56 Service?	No	No	No	No	26
Switched 56 lines in use	---CONF---	---CONF---	---CONF---	---CONF---	27
Digital Transmission Facilities: DS-1 - In Use	---CONF---	---CONF---	---CONF---	---CONF---	28
DS-3 - In Use	---CONF---	---CONF---	---CONF---	---CONF---	29
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	30
SMDS?	No	No	No	No	31
Frame Relay?	No	No	No	No	32
ATM (Asynchronous Trans. Mode)?	No	No	No	No	33
Video Information - Service Available?	No	No	No	No	34
- In Use (# lines) ¹	---CONF---	---CONF---	---CONF---	---CONF---	35
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	32	16	36	16	36
No. of fiber strands working (LIT) in C.O.	---CONF---	---CONF---	---CONF---	---CONF---	37
No. of fiber strands for interoffice use	28	4	26		38
Miles of fiber sheath in wire center	14	8	48	29	39
Access Tandem Serving this C.O.:					
- C.O. Name	NIAGARA	NIAGARA	NIAGARA	NIAGARA	40
- PSCW C.O. ID	3830-01	3830-01	3830-01	3830-01	41
Does this C.O. do access tandem switching?	No	No	Yes	No	42
Footnotes					43

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**General Footnote****Accountants Compilation Report**

To the Board of Directors
Niagara Telephone Company
Wittenberg, Wisconsin

We have compiled the balance sheets of Niagara Telephone Company as of December 31, 2001 and 2000, and the related statements of income and retained earnings for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 46 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

The supplementary information contained on pages 46 through 55 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Associates LLP
Madison, Wisconsin
March 31, 2002

Schedule Footnotes**Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)
Footnote. Page 30**

The Company is below the statewide R1 rate and is not required to file this schedule for 2001.

Distribution of Salaries and Wages Footnote. Page 46

The Company is below the statewide R1 rate and is not required to file this schedule for 2001.

General, Schedule Level and Schedule Line Footnotes Footnote. Page 56

None

Schedule Line Footnotes

A) Increase in special access circuits.

B) Increase due to a new video distance learning contract in 2000.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- C)** Additional fiber lease agreements.
- D)** Increase in uncollectible collections in 2001.
- E)** 2001 Refund from PECFA related to prior years.
- F)** Increase is due to higher maintenance related to COE.
- G)** Increase is due to higher maintenance related to circuit equipment.
- H)** The year 2000 had a highway road move increasing expense.
 - I)** Payments to USAC in 2001.
- J)** Decrease in labor, overheads and other costs.
- K)** Increase in labor, overheads, and other costs.
- L)** Amount is depreciated on a per unit basis.
- M)** Reported amount of -0- for these special access circuits is correct.
- N)** Reclassifications between accounts.
- O)** Transfer of regulated plant to subsidiary.